



*The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Division of Health Care Finance and Policy
Two Boylston Street
Boston, MA 02116*

DEVAL L. PATRICK
Governor

617-988-3100 • Fax 617-727-7662 • TTY 617-988-3175
www.mass.gov/dhcfp

JUDYANN BIGBY, M.D.
Secretary

TIMOTHY P. MURRAY
Lieutenant Governor

SARAH ISELIN
Commissioner

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of M.G.L. c. 118G and in accordance with M.G.L. c. 30A, as amended, a public hearing will be held Thursday, February 12, 2009, at 10:00 A.M. at the Division of Health Care Finance and Policy ("Division"), 2 Boylston Street, 5th floor, Boston, MA relative to the adoption of amendments to:

114.1 CMR 41.00: Rates of Payment for Services Provided to Industrial Accident Patients by Hospitals

The proposed amendments, effective March 1, 2009, change the payments for hospital services rendered to individuals under the Worker's Compensation Act. Under the regulation, payments are based on a hospital-specific payment on account factor (PAF), the ratio of the hospital's net to gross private sector patient revenue. The amendments update the PAF methodology by using FY 2007 costs and charges as reported in DHCFP-403 cost reports. The amendments also delete from the regulation certain restorative therapy procedure codes now governed by regulation 114.3 CMR 40.00, which governs worker's compensation payments for ambulatory care services. In addition, the amendments clarify that the PAF rate for emergency services applies only to emergency encounters and not follow-up visits; clarify that the PAF rate for outpatient surgery with a CPT code described as an "unlisted procedure" requires documentation that the procedure could not be performed in a freestanding ambulatory surgical center; clarify that the PAF must be applied to all billed charges payable under the regulation; and clarify the circumstances under which a purchaser may request an invoice. Finally, the amendments allow future updates of the PAF and Hospital Uniform Assessment Percentage by administrative bulletin.

The Division is proposing these amendments to update the payments and ensure that these payments are consistent with efficiency, economy, and quality of care. The aggregate fiscal impact of the proposed amendments is estimated to be a decrease of approximately \$8 million, or 7% of total hospital worker's compensation payments. The fiscal impact on governmental purchasers, including cities and towns, is expected to result in savings which will depend on the mix and volume of services purchased and the providers from which these services are purchased. The fiscal impact on each hospital will vary based on the change in its PAF.

Interested parties are encouraged to submit comments on these amendments. All persons desiring to be heard on this matter are hereby notified to appear at the designated time and place. Persons intending to speak will be afforded an early opportunity to testify if the Division receives notice by 5 p.m. on Wednesday, February 11, 2009. All others will be heard subsequently. Written comments may be sent to the Division at Two Boylston Street, 5th floor, Boston, MA 02116.

Copies of the regulation are available for inspection and/or purchase at the Division, Two Boylston Street, 5th floor, Boston, MA 02116 or you can access them free of charge in the Regulations section of the Division's web site located at www.mass.gov/dhcfp.